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INFO RUCNMER/MERCOSUR COLLECTIVE
RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L ASUNCION 000647

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PASS TO WHA/BSC, S/CT, EB, WHA/EPSC, INL

E.O. 12958: DECL: 08/08/2027 TAGS: <u>EFIN KCRM PAC PTER SNAR PA</u> SUBJECT: FIU CHIEF YEGROS RESIGNED

REF: ASUNCION 609

Classified By: Pol/econ Chief Joan Shaker; reasons 1.4 (b) and (d).

- 11. (U) After weeks of speculation, President Duarte announced the removal of SEPRELAD (Paraguay's FIU) chief Carlos Yegros late August 7. Embassy contacts reported that Yegros resigned July 30, but that Minister of Industry and Commerce Jose Maria Ibanez did not immediately accept his resignation. According to press reports, Duarte fired Yegros in the wake of the July 31 airport currency exchange house robbery. Yegros' successor is former Central Bank of Paraguay President Angel Gabriel Gonzalez.
- 12. (C) COMMENT: It's unclear at this time what Yegros' role was (if any) in the July 31 robbery. It's likely that the press reports are a fig leaf meant to move him out of the way. Due to his incompetence, negligence and acts of commission, the Embassy had lost confidence in him (reftel). Yegros' replacement is a long-awaited, positive step. With Gonzalez in place, we will quickly move forward with cooperation with SEPRELAD on pending issues. END COMMENT. CASON